



State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
Governor

**IMPLEMENTATION OF DIAGNOSIS RELATED GROUP
HOSPITAL REIMBURSEMENT METHODOLOGY**


July 1, 2013

As Director of the Department of Health Care Services (DHCS), Health and Human Services Agency, State of California, I, Toby Douglas, certify, in accordance with Welfare and Institutions Code section 14105.28, that all necessary federal approvals have been obtained and the diagnosis related group (DRG) methodology, as described in Section 14105.28, is sufficient for formal implementation effective July 1, 2013.

In addition, in accordance with Welfare and Institutions Code section 14165, this declaration confirms my determination that the DRG methodology, as developed and implemented on July 1, 2013, is sufficient to replace the selective provider contract (Welf. & Inst. Code, § 14081 et. seq.) based system for private hospitals, as defined in Welfare and Institutions Code section 14166.1(j).

Therefore, private hospital admissions for acute inpatient services on or after July 1, 2013, shall be reimbursed in accordance with the DRG methodology as provided by Welfare and Institutions Code section 14105.28.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed the first day of July, 2013, at Sacramento California.



Toby Douglas
Director
Department of Health Care Services
Health and Human Services Agency
State of California

7-1-13
Date